Hi-Tech Pharmaceuticals Wins $40 Million Appeal Against FTC

A federal appeals court has thrown out a lower court's $40 million verdict in a case that pitted Hi-Tech Pharmaceuticals of Norcross, Ga., against the Federal Trade Commission over advertising for weight-loss supplements.

The 11th circuit ruled that the federal judge didn't let Hi-Tech present the evidence they had to support their weight loss claims, including "several expert declaration that the representations were substantiated by 'competent and reliable scientific evidence,'" according to the Eleventh Circuit.

In a release, Hi-Tech said the lower-court judge ruled early on in the litigation that Hi-Tech did not have double-blind, placebo trials to substantiate its advertising claims like "metabolic aid or thermogenic" and – only a Pharmaceutical Phase 1 clinical trial would do – which is estimated at more than $200 million for a weight loss product.

"This is a clean slate for the company," said Atlanta King & Spalding attorney Merritt E. McAlister, who argued the case for Hi-Tech.

Read the release.